

# FISCAL NOTE WORKSHEET (Revised Nov. 2006)

Agency: Utah State Office of Education  
Ben Leischman  
 Requested By

Bill Number SB 180

Office of the Legislative Fiscal Analyst  
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Fax/Electronic Mail Transmittal

Date: _____
Name: _____
Fax Number: _____

Please return to Fiscal Analyst by: January 29, 2007

**TITLE OF BILL:** SCHOOL CONSTRUCTION CONTRACT AMENDMENTS

This Bill Takes Effect: ☐ On Passage ☐ On July 1 ☒ 60 Days after session ☐ Other \_\_\_\_\_

Bill Carries Own Appropriation: ☐

## FISCAL IMPACT OF PROPOSED LEGISLATION

### A. Revenue Impact by Source of Funds:

First Year

Second Year

	\$0	\$0
1. General Fund		
2. Uniform School Fund - Free Revenue		
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds		
7. TOTAL	\$0	\$0

### B. Expenditure Impact by Source of Funds:

1. General Funds		
2. Uniform School Fund - Free Revenue	\$0	\$0
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds		
7. TOTAL	\$0	\$0

### C. Expenditure Impact Summary:

1. Salaries, Wages and Benefits	\$0	\$0
2. Travel		
3. Current Expenses		
4. Capital Outlay		
5. Other (Specify)		
6. TOTAL	\$0	\$0

### D. Impact in Future Years?

*If no fiscal impact in first two years, indicate if there will be any impact in future years, and explain. Also, indicate any significant changes in fiscal impact beyond the first two years. Use back side, if necessary.)*

No additional impact should be expected beyond that of the first two years.

**E. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase**

Line 66 reduces the amount that may be withheld for retention.

**F. Expenditure Impact Details (*Ties to totals in Section C*)**

*List and document methodology and/or assumptions used in determining need for workload and cost increase.*

*List number, type, and step ranges of personnel required, including benefits.*

*List details of other impacted expenditure categories as shown in Section C.*

*List additional space requirements and cost associated with requirements of this bill.*

(USE ATTACHMENTS IF NECESSARY.) This should not create a greater impact but might. The largest problem in a construction project is the completion and punch list items. With reduced leverage created by reducing the retention limits there could, conceivably, be a greater rate of uncompleted projects of need to go to a secondary contractor to complete the punch list items. In some cases the general contractor may decide it is financially advantageous to leave the retention on the table rather than complete the project.

**G. No Fiscal Impact or Will Not Require Additional Appropriations?**

*Specify why this bill will have no fiscal impact on your agency or institution.*

*Specify how you will reallocate workloads, resources, or funding sources to eliminate need for additional appropriations. (USE ATTACHMENTS IF NECESSARY.)*

This bill should not create a fiscal impact.

**H. If Bill Carries It's Own Appropriation:**

*Indicate if the amount appropriated is adequate to meet the purposes of the bill.*

*Are there future additional costs anticipated beyond the appropriation in the bill?*

The bill carries no appropriation.

**I. Impact on Local Governments, Businesses, Associations, and Individuals**

*Specify requirements in the bill that drive the impact on local governments.*

*Indicate costs or savings that are **DIRECT and MEASURABLE**. If direct and measurable data are not available, are there areas that potentially could have a fiscal impact? (USE ATTACHMENT IF NECESSARY.)*

Local School Districts/Charter Schools : This could cause some school construction projects to have less than desired results by having the contractor be less accountable because of the reduction in retainage allowed.

Businesses and Associations : This should be an advantage for the construction contractors.

Individuals :

**Narrative Description of Bill** : This bill would reduce the amount of legal retainage allowed to 5% (from "at least 10%") of the contract. This should be an advantage to the contractors. It **could** produce problems where in completion of a project if the amount of retainage is 5% and the cost of completing the punch list items is greater the contractor may walk away from the balance and allow the schools to complete the project using an alternate contractor causing price increases or time delays.